

How can general impact investors tackle gender-related issues?

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Gender equality is a crucial component in achieving the UN's sustainable development goals (SDGs) and more and more investment funds and stakeholders in the finance arena are starting to factor it into their business models. Although progress has been made in this area, a much more proactive approach is still needed.

Sustainable development targets will only be reached if gender inequalities are drastically reduced. These inequalities are specifically highlighted in goal No. 5 (Gender equality) of the UN's sustainable development goals (SDGs) and in certain targets of education-related goals (e.g., SDG 4.5). However, they are also indirectly present in most of the other goals even though they are not specifically mentioned. Menstrual hygiene management is difficult in the absence of soap and water and suitably adapted sanitary amenities, which in turn raises the challenges of clean water and sanitation (i.e., SDG 6).

Climate change (SDG 13) will have a greater impact on women and they are also the first concerned by issues of adaptation and resilience. The increasing scarcity of natural resources particularly affects the women who have to fetch water or wood, who are forced to go further and further afield. This leaves women with less time for paid work and young girls often have to help out, to the detriment of their education. For example, in Senegal women spend 17 hours every week fetching water. In brief, no development goals can be achieved without attacking gender inequality or the specific types of vulnerability faced by women.

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FACTORING GENDER INTO BUSINESS MODELS

More and more thematic funding is focusing on gender inequality and obviously this trend needs to be commended and encouraged, however, the needs are so great that the issue requires concerted action across the board. Investisseurs & Partenaires has devised a gender strategy that clearly sets out its commitments and tracks them on an annual basis. From an internal perspective, it is deployed via recruitment policy and by promoting gender diversity in corporate governance bodies, senior management and investment teams as well as through team-based awareness-raising initiatives. The strategy is also pursued at investment portfolio level by factoring gender-sensitive policies into the key investment pillars of I&P's partners, as well as at SME corporate officer, employee, client and sub-contractor level. Businesses commit to making progress and sometimes spearhead initiatives in this area. For example, a Ghana-based business provides childcare facilities that make it easier for women to work there.

It can sometimes be difficult to understand how a general investor - who never felt they were guilty of any sort of discrimination whatsoever - can make a difference in this area. No project was ever refused because it was sponsored by a business run by a woman and no female job applicant was ever turned down because of her gender. So how can progress actually be made in this area?

The under-representation of women in businesses financed by I&P has much deeper roots: under-representation in science and finance often leads women to submit less financially-detailed projects. But should we be put off by a business plan because it is not as well presented or has a less sophisticated grasp of technical and financial jargon? Investors who have not yet devised a specific gender policy may well answer "yes" and have probably not yet even realized that this bias exists. I&P's investment teams have adopted a pro-active approach. When necessary, they spend more time analysing projects submitted by women to enable the latter to structure these more effectively. A pro-active approach is vital if we wish to fund more projects spearheaded by women.

Gender strategies are often adapted to specific investment vehicles. The smaller the company, the higher the proportion of women-led projects. For example, in one of I&P's venture capital funds where the average investment outlay is only a few thousand euros, 60% of investees are women. These microbusinesses have to surmount even greater obstacles if they wish to operate in the formal sector or get access to land and this is where we need to act if we want tomorrow's big corporations to be run by women.

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These developments have also led I&P to reorganise its investment metrics by gender to ascertain the proportion of female entrepreneurs, senior executives, employees and customers. We also track 2X Challenge criteria, the development institution-sponsored initiative to define women-friendly investments: the fact that 70% of our investments comply with these criteria is a clear statement of I&P's commitment to gender equality.

Having a woman at the helm was initially a "bonus" in impact ratings, which consist in a SWOT analysis¹ of projects and how they fit with our impact criteria. We wanted to support projects headed up by women without penalising those submitted by men. To go that extra step, I&P broadened its concept of leadership by considering not just the gender of the business owner, but that of its senior executives as well. When we invest in these African SMEs and help them to grow,

these partner businesses frequently take advantage of this opportunity to restructure their top management by including more women. Because this applies to all of our businesses - regardless of whether they are run by women - the “bonus” has become a fully-fledged indicator in its own right. Our different investment pillars focusing on enterprise or employees used to comprise a question or a bonus concerning the proportion of women. “Gender” is now a pillar in itself that must be analysed for any project. Simply devoting a specific section to this criterion heightens awareness of gender-related issues and CSR performance and makes it easier to factor in opportunities for improvement and reducing gender inequality into action plans devised with our partner businesses.

RETHINKING THE PLACE OF WOMEN

Clearly, tackling challenges as big as these raise questions about the place of women in our societies. We are well aware that the French language contains a lot of bias. How can you promote female leadership when there is a debate about how to feminise the word “entrepreneur”? Should we talk about an “entrepreneure” or an “entrepreneuse”? As this article shows, inclusive writing can be a tricky thing and words and symbols are very important for the emancipation of women.

For an impact investor like I&P, one of the pillars of gender policy has been rethinking the place of women in advocacy work and communication. For example, there were far too few profiles of female entrepreneurs in quarterly newsletters. This was not a deliberate policy but probably more a result of an unconscious bias or the lower proportion of women among entrepreneurs as a whole. However, a more proactive approach has highlighted the trajectories of inspiring women who could serve as role models for thousands of young girls and convince them that they too can have the same sort of careers. Tracking the proportion of women who appear in publications or at organised events has now become a reflex.

This gender policy is reflected at I&P which also needs to be exemplary. There is no shortage of actions to promote the inclusion of women: tracking the proportion of female employees, particularly at senior management level and in the investment teams; striving for gender parity in our various committees; working to promote a healthy work-life balance; and raising awareness of these issues and providing training for all of the teams. For example, during recruitment drives, recruiters must systematically interview women applicants. In the absence of these explicit guidelines, there would probably be too few women candidates due to bias and the overtly male networks of the consultants in question.

CONCLUSION

Too many stakeholders feel that these issues don’t actually concern them. Obviously, we would hope that most of them do not intentionally discriminate against women and the causes of these inequalities often lie much deeper than simple actions. However, we are definitely guilty of perpetuating these inequalities if we decide neither to act nor to be proactive in this whole area. Gender inequalities should not only be tackled by thematic funds and we all have a role to play in weeding them out.

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